

INFLUENCE OF PROMOTION STRATEGIES ON GROWTH OF SMALL AND  
MEDIUM WATER BOTTLING ENTERPRISES IN KENYA

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**Abstract**

*The water sector has the potential to substantially improve the lives of Kenyans by ensuring access to clean water and acceptable sanitation services. Kenya's bottled water market has 720 registered players of which 59 percent are based in Nairobi Region. The market though is dominated by half a dozen large firms who account for 60 percent of the total sales compared to 40 percent for small and medium enterprises (SMEs). The study found strong relationship between promotion strategies and growth of SME water bottling firms in Kenya. However preference and usage for any of the strategies was strongly attributed to the cost, convenience and to a lesser extent technology. SMES should thus leverage on low cost but effective marketing strategies to allow them to compete with large firms. This could be discerned from the bold*

*decisions SMES undertook when faced with uncertainty on returns, initiation of processes or action which competitors respond to, and emphasis on research, development and innovations.*

## **Introduction**

Globalization, the increasing power of big retailers, and the strategies developed by large companies are some of the elements that characterize the first moving consumer goods (FMCG) resulting into increased level of competition in the industry. Small and medium-sized enterprises (SMEs), which represent the greater part of FMCG, have to survive in the market facing increasing competition (Jones, 2007). The SMEs by their very nature, constitute the most viable and veritable vehicle for self-sustaining industrial development (Wanjau, Gakure & Kahiri, 2010). According to Wanjau *et al.* (2010), SMEs in Kenya have not performed creditably well and hence have not played the expected vital and vibrant role in the economic growth and development of the country. They note that the situation has been of great concern to the government, citizenry, operators, and practitioners. These challenges could be as a result of perceived ineffective marketing strategies which have a negative effect on the organization's performance, product quality, customer satisfaction and profitability. SMEs operators need to provide affordable quality products with good packaging which satisfies customer needs. They also need to engage in wider distribution backed by effective promotion strategy in order to survive the competitive pressure from local and international market environment.

## **SME's Marketing Strategies**

The marketing function in SMEs is hindered by many constraints. These include poor cash flow, inadequate marketing expertise, business size, tactical customer related problems, and strategic customer-related problems (Kotler, 2007). Small businesses need marketing in a format that is compatible with small firm characteristics and is acceptable to the small firm owner/manager. Marketing is an essential part of the existence phase of a firms' life cycle, more so for SMEs which have a high mortality rate. It is acknowledged that SMEs do not undertake conventional marketing because of the limitations of resources. SME owner/managers also behave and think differently from conventional marketing decision-making practices in large companies (Hisrich, Peters & Sheperd, 2010). According to Chen & Huang (2009), good marketing supports sales and expansion and contributes significantly to the growth of market share in competitive markets.

Micro enterprises should be customer focused. An in-depth understanding of customer needs and wants, the nature of the market and the competitive environment are vital for success, which however are often missing (Morris, Schindehutte & LaForge, 2002). A market driven approach is more important for SMEs than for larger companies since they are more dependent on the market situation due to their limitations in size and resources. A well-planned and well-implemented marketing strategy helps SMEs to present strong value propositions that build customer loyalty. Kraus, Harms and Fink (2009) posit that most SMEs understand the importance of marketing and the value it adds to the performance of the firm. However, studies reviewed generate a general picture of insufficient information, poor marketing practices biased towards sales while neglecting the other elements of the marketing mix.

### **Bottled Water Industry in Africa**

In Tigray, Northern Ethiopia, Asgedom and Desta (2012) found that bottled drinking water plants has been on the increase since 2002 because of shortage of water supply, hygiene problems and availability of market. Most of the bottled water is produced from springs which are then physically and chemically processed. Small plastic packaging bags are preferred by retailers and consumers because of their low cost, light weight and handiness. These plastic bags and water bottles are reused by some communities and finally disposed on landfills (Asgedom & Desta, 2012).

Ackah (2011) observed that the ready market for sachet/bottle water in Ghana and the relatively low start-up capital (especially for sachet water production) had motivated the springing up of businesses stimulating local entrepreneurs into the production of sachet and bottled water. The highly profitable packaged water business is also a major source of employment for thousands of local people, both directly and indirectly. In Nigeria, Sachet water companies form a major part of SMEs and also play an important role in creating employment opportunity (Akunyili, 2003; Adewoye & Akanbi, 2012). Where the government has not done much to provide reliable potable water for its citizenry, drinking water is sold in polythene sachets (Egwari & Aboaba, 2002; Dada, 2009). The sachet water is readily available which encourages mobile consumption (Adewoye & Akanbi, 2012).

Ackah (2011) further observed that success and market performance of the sachet/bottle water industry is critical to the health and economic well-being of the nation. Unfortunately most of the companies in the industry are under-performing due to their inability to leverage quality and quality management strategies to achieve the desired market share, competitive advantage, growth and profitability. The industry continues to be challenged by numerous quality problems which threaten the survival of the industry and of much concern for the health of people who

patronize packaged water products. There is therefore the need for the immediate adoption of a quality system which is sufficient to combat the quality problems of such an important industry (Ackah, 2011).

### **The Water Bottling Industry in Kenya**

Kenya is described as a water-scarce country due to limited national endowment and the needs of a growing population (RoK, 2005). This problem has been compounded by water resources degradation and low investments in infrastructure development, maintenance and operations. The water sector has the potential to substantially improve the lives of Kenyans by ensuring access to clean water and acceptable sanitation services (RoK, 2005). The availability of good quality and quantity water is central to Kenya's socio-economic development goals. This is so considering that water is a major resource for energy generation, for urban and rural consumption, agricultural development, tourism, and for industrial growth (RoK, 2005).

In Kenya, it is estimated that the bottled water business alone nets over 1.3 billion shillings (16 million U.S. dollars) annually and with the quest for a safer commodity, the sales are bound to rise with demand (Devas, 2009). Hotels and supermarkets have begun branding their own bottled water products just to compete with the already existing companies and individuals in the business. For a long time, bottled water was seen as a product for the elite, but currently the industry has began to 'go small' by packaging small quantities that the low income group would afford. Devas (2009), notes that shortage of water is critical for most urban residents, as vendors sell water regardless of its safety. More and more investors are taking up the challenge to fill the gap occasioned by the shortage as the Ministry of Environment, Water and Natural Resources strives to ensure that Kenyans access adequate safe and clean drinking water, (Mathaba, 2011).

Kenya's bottled water market has 720 registered players of which 425 are based in Nairobi (RoK, 2010). The market though is dominated by half a dozen large firms i.e Coca cola's Dasani, Keringet, Highlands, Quencher and Aquamist who account for 60 % of the total sales (Sambu, 2010; RoK, 2010). The SMEs, who comprise 98 % of the registered players only account for 40% of the total sales. Statistics from the Kenya National Bureau of Statistics (KNBS) (2010) show that the bottled water segment represents only 0.4 % of the total commercial value of water consumed, while conventional water represents 41 % of the total beverage consumed in Kenya in terms of volume (KNBS, 2010). Consumption of bottled water though is growing fast at 12 % in Kenya with the country estimated to have a 314 Million litre bottled water market (Githinji, 2010). In spite of increased consumption and growing demand for bottled water, SME's in Kenya have been experiencing low sales turnover (RoK, 2011).

In view of the above, a vibrant water bottling sector can therefore play an important role in employment and wealth creation. This will be through a competitive and growth oriented small and medium water processors as envisaged in Kenya's vision 2030 (RoK, 2007).

### **Promotion Strategies and Growth of SMEs**

The reviewed literature was guided by the specific objective 1: To determine the influence of promotion strategies on growth of small and medium water bottling enterprises in Kenya.

In promotion, a "conservative" approach to marketing would be classical communication channels (print, television, radio) using text and images in reaction to a competitor's campaign.

An entrepreneurial approach to marketing would be to use innovative communication channels; for example: Internet, mobile marketing, people – word of mouth (WOM) or use classical channels in an innovative way (Chen & Huang, 2009). Communication strategy can also make use of resources that are external to the firm, such as word-of-mouth from customers. This

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approach can be more cost-efficient than classical advertising for small companies; hence often aimed at target groups that are not accessible via television or print.

The information is distributed not solely by the company, but by the customers themselves, using their private or professional networks. The three best-known forms of entrepreneurial marketing, guerrilla marketing, buzz marketing, and viral marketing are shown in addition (Table 1). These techniques stand for a variety of low-cost, high-impact marketing activities that allow small companies and/or individuals to act like big companies. It is about the attempt to achieve wide-ranging results with an untypically low utilization of resources by acting like a guerrilla.

**Table 1: Forms of Entrepreneurial Marketing**

Form	Main characteristics	Source
Guerrilla Marketing	Bootstrapping, creative/leveraging use of available resources and a highly targeted mix of innovative and effective communication techniques, networking, using energy and imagination; low cost.	Levinson (1984)
Buzz Marketing	Customer-generated information distribution by verbal means, especially recommendations, through personal networks by creating excitement, infatuation and enthusiasm, often connected to events.	Rosenbloom (2000)
Viral Marketing	Self-replicating promotion spreading and multiplying like a virus over community webs. Similar to buzz marketing, but more Internet oriented.	Jurvetson & Draper (1998); Godin & Gladwell (2001)

**Source: Morris et al. (2002)**

Guerrilla marketing is meant to be surprising, efficient, rebellious, infectious and spectacular, thereby bursting through conventional perceptions and leading to a “wow factor”. The aim is for

the recipient to be riveted to the message, which will stimulate him/her to distribute it further. An example is the “Go Heinrich Go!” campaign in Germany that was initiated by the sporting goods producer, Nike. The campaign sponsored the participation of the 80-year-old runner Heinrich at the famous Berlin marathon. The aged runner completed the 42 km run, which resulted in an enormous media echo for Heinrich and for Nike. This was in contrast to Berlin marathon’s official main sponsor, ADIDAS, who had relied on the traditional sports sponsoring (Kraus *et al*, 2009).

Buzz marketing is a new form of word-of-mouth communication which uses the recipient’s internet, e-mail or cell phone networks to generate a buzz through event or an activity around a product or a brand, thereby leaving the actual advertising to the customers. Buzz is not only initiated by media campaigns but media coverage itself is a part of buzz. In the ideal case, a cleverly designed buzz marketing action is covered by the media and further distributed at no costs for the marketer. Buzz marketing’s target persons are often opinion leaders with central hub positions in their social networks. New products or services are ideal for buzz marketing since it addresses the appeal the product has for the customer (Rosenbloom, 2000).

Viral marketing describes a form of marketing that uses social networks (family, friends, neighbors and colleagues) to draw attention towards brands, products or campaigns by spreading messages. Viral marketers spread their campaign like a virus, seemingly uncontrolled, mostly over the internet. It is important for the client to have a personal benefit to forward the marketing message, or otherwise it may not be successful (Godin & Gladwell (2001). In a study by Lekhanya (2014) on the impact of viral marketing on corporate brand reputation revealed that the majority of respondents were either neutral or disagreed that people make positive comments

about their companies via viral marketing. Spillan and Parnell (2006) examined the relationship between marketing orientation and performance among SMEs in USA. To this end, two basic findings emerged from this study. First, the results showed that a greater emphasis on MO philosophy and culture and customer orientation is a significant part of the SMEs marketing efforts. This finding seems to be consistent with the literature that indicates that marketers using MO strategy must have a good understanding of the marketing concept/philosophy. The analysis also found that firms exhibiting a higher degree of market orientation are likely to pursue more emphasis on inter-functional coordination as a critical component of its marketing efforts.

### **Firm Growth**

SME's growth is often closely associated with firms overall success and survival (Passanen, 2003). Growth has been used as a simple measure of success in business and has also been suggested as the most appropriate indicator of the performance for surviving small firms (Storey, 2003). According to Jovanovic (2000) there have been attempts to provide an overview and clarify the key factors that cause some business to grow rapidly, while others remain small or grow very slowly. Passanen (2003) notes that any investigation on factors affecting the growth of firms has to consider at least two different streams of literature: theories about firm growth and theories about entrepreneurship. Jovanovic (2000), further states that the aim of growth theories is to describe the growth process and to identify typical features that make growing firms stand out from other enterprises. Cuervo, Ribeiro & Roig (2007) are of the view that entrepreneurship theories try to explain characteristics which differentiate successful entrepreneurs from less successful or unsuccessful ones.

There are two broad approaches in the studies of small firm success: the business professionals' model and the small business proprietors' model (Pasanen, 2003). According to business professional model, a successful firm is one that achieves its highest potential in terms of growth, market share, productivity, and return to capital or other measures of the performance of the firm itself. In small business proprietors' model, the owner-managers' main concern is whether the firm is providing them with benefits they want from it usually associated with lifestyle and income level to maintain it. Casson (2003) says that it is the function of entrepreneur to rationally combine forces of production into a new producing organization.

Reviews by Jovanovic (2000) on various researches conducted on growth models and the problems and challenges the firms face as it grows, suggest that an owner-manager needs to display different managerial talents and skills when dealing with these issues so as to survive (Churchill & Lewis, 1983; Scott & Bruce, 1987; and Burns & Dewhurst, 1996). A small business can flourish if it is able to adapt to shifts in its external environment (McCormick et al., 2009).

### **Methodology**

Descriptive statistics was used to analyze quantitative data. Descriptive statistics provides for meaningful distribution of scores using statistical measures of central tendencies, dispersion and distribution (Kothari, 2008). To permit quantitative analysis, data was converted into numeric codes representing attributes or measurements of variables. It was important that coding should include as much information as possible because once the coded data is entered into the computer, it is impossible to recover any details, which were omitted (Mugenda & Mugenda, 2003). Generalization was then done from the themes about the phenomena in question and interpreted in the light of the available literature (Kumar, 2005). Qualitative analysis is important

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since it supplements the quantitative analysis to create a better framework to the interpretation of the findings (Kothari, 2008). Inferential statistics using correlation and multiple linear regression models was undertaken.

Regression analysis was calculated using the following regression models:

$$1. y = \beta_0 + \beta_1x_1 + e$$

$$2. y = \beta_0 + \beta_2x_2 + e$$

$$3. y = \beta_0 + \beta_3x_3 + e$$

$$4. y = \beta_0 + \beta_4x_4 + e$$

$$5. y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e$$

$$y = \beta_0 + \beta_1x_1 * x_5 + \beta_2x_2 * x_5 + \beta_3x_3 * x_5 + \beta_4x_4 * x_5 + e$$

to answer objective 5 the moderated regression equations will be as above

Where;

Y= is Growth of SMEs (Sales revenue, No. of employees and ROI)

X<sub>1</sub>=is the Promotion Strategies

X<sub>2</sub>= is the Product Strategies

X<sub>3</sub> is Pricing Strategies

X<sub>4</sub> is Distribution Strategies

X<sub>5</sub> is the Entrepreneurial orientation which will be 1 if present and 0 if absent.

$B_0$  is a constant which is the value of dependent variable when all the independent variables are 0.

$\beta_{1-n}$  is the regression coefficients or change induced by  $X_1, X_2, X_3, X_4$  and  $X_5$  on  $Y$ .

It determines how much each ( $X_1, X_2, X_3, X_4$ ) separately and with inclusion of  $X_5$  contribute to  $Y$ .

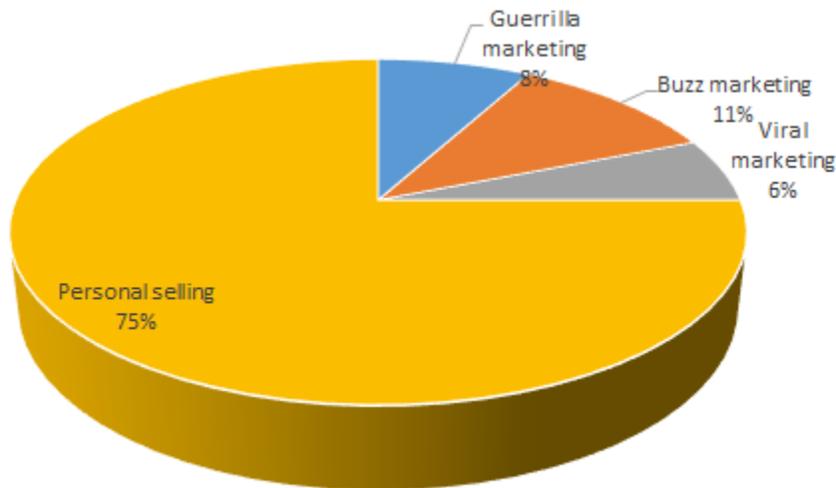
$e$  is the error of prediction.

### Findings of the study

The promotional strategies adopted by water bottling SMEs are shown in figure 4.5 where 75% 8% of the SMEs practices personal selling strategy, 11% practices buzz marketing strategies, 8% practices guerrilla strategy and 6% practices viral strategy. Personal selling is where businesses use people (the "sales force") to sell the product on a face-to-face meeting with the customer. The sellers promote the product through their attitude, appearance and specialist product knowledge. In promotion however, a conservative approach to marketing would be classical communication channels (print, television, radio) using text and images in reaction to a competitor's campaign.

The study found out that personal selling is widely practiced by water bottling SMEs despite its expenses, this is an expensive promotional strategy and consumes significant amount of their revenue. It can thus be surmised that water bottling SMEs have adopted several promotional strategies with the predominant strategy being personal selling which is however more expensive than the other strategies. This strategy being more expensive make it unfavorably when water bottling SMEs compete for the market share with bigger established international and local

companies with more financial muscle for example Coca Cola Quencher, Aquamist etc which also have other similar products in the market like juices and more bottled water products.



**Figure 1: promotional strategies adopted**

**Correlation between Promotional Strategies and Growth of Water Bottling SMEs**

Correlation matrix between promotional strategies and employees growth which one of the variables measure of growth of small and medium water bottling enterprises in Kenya is shown in table 4.33 which indicates that personal selling strategy is significantly and positively correlated with employees’ growth, coefficient value of 0.197 which is significantly different from 0, with  $p = 0.047$ , which is less than  $p$  value,  $p = 0.05$ . However, guerrilla, buzz and viral promotional strategies are not significant different from 0, with employees’ growth, coefficient values of 0.000, 0.025, and 0.120 with corresponding  $p$  values of 0.999, 0.804 and 0.227 respectively which are greater than  $p$  value,  $p = 0.05$ .

Promotional strategies are overall significantly and positively correlated with employees’ growth coefficient 0.249 value 0.011 which is less than  $p$  value 0.05. According to Tang, Wang and

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Huang (2012) promotional events, shelf displays and road shows and associated expenditure strongly affect the sales items. Tang, Wang and Huang (2012) citing findings by Bemmaor and Mouchoux, (1991); Bolton, (1989); and Kumar and Leone, (1988) says that the effectiveness of display expenditure, with each of sales promotion tools having its own way of attracting consumers for example coupons have been found to stimulate retail sales.

**Table 2: Correlation between promotional strategies and employees growth**

Correlations		Guerrilla	Buzz	Viral	Personal	Promotion strategies	Employees growth
Guerrilla	Pearson Correlation	1	-.153	.060	.029	-.087	.000
	Sig. (2-tailed)		.122	.550	.775	.383	.999
	N	103	103	103	103	103	103
Buzz	Pearson Correlation	-.153	1	.374**	-.359**	.058	.025
	Sig. (2-tailed)	.122		.000	.000	.562	.804
	N	103	103	103	103	103	103
Viral	Pearson Correlation	.060	.374**	1	-.126	.399**	.120
	Sig. (2-tailed)	.550	.000		.205	.000	.227
	N	103	103	103	103	103	103
personal	Pearson Correlation	.029	-	-.126	1	.828**	.197*
	Sig. (2-tailed)	.775	.000	.205		.000	.047
	N	103	103	103	103	103	103
promotion strategies	Pearson Correlation	-.087	.058	.399**	.828**	1	.249*
	Sig. (2-tailed)	.383	.562	.000	.000		.011
	N	103	103	103	103	103	103
Employees growth	Pearson Correlation	.000	.025	.120	.197*	.249*	1
	Sig. (2-tailed)	.999	.804	.227	.047	.011	
	N	103	103	103	103	103	103

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Correlation between promotional strategies and sales growth**

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findings indicates that personal selling strategy is significantly and positively correlated with employees' growth, coefficient value of 0.194 with p value of 0.049, p value less than 0.05. However, guerrilla, buzz and viral promotional strategies are not significant with sales growth with coefficient values of 0.005, 0.027, and 0.117 with corresponding p values of 0.959, 0.784 and 0.237 respectively which are greater than p value 0.05. Promotional strategies are overall positively correlated with employees' growth coefficient 0.246 value 0.012 which is less than p value 0.05.

**Table 3: Correlation between promotional strategies and sales growth**

Correlations		Guerrilla	Buzz	Viral	personal	promotion strategies	sales growth
Guerrilla	Pearson Correlation	1	-.153	.060	.029	-.087	.005
	Sig. (2-tailed)		.122	.550	.775	.383	.959
	N	103	103	103	103	103	103
Buzz	Pearson Correlation	-.153	1	.374**	-.359**	.058	.027
	Sig. (2-tailed)	.122		.000	.000	.562	.784
	N	103	103	103	103	103	103
Viral	Pearson Correlation	.060	.374**	1	-.126	.399**	.117
	Sig. (2-tailed)	.550	.000		.205	.000	.237
	N	103	103	103	103	103	103
Personal	Pearson Correlation	.029	-	-.126	1	.828**	.194*
	Sig. (2-tailed)	.775	.000	.205		.000	.049
	N	103	103	103	103	103	103
promotion strategies	Pearson Correlation	-.087	.058	.399**	.828**	1	.246*
	Sig. (2-tailed)	.383	.562	.000	.000		.012
	N	103	103	103	103	103	103
sales growth	Pearson Correlation	.005	.027	.117	.194*	.246*	1
	Sig. (2-tailed)	.959	.784	.237	.049	.012	
	N	103	103	103	103	103	103

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Correlation between promotional strategies and Return on Investment (ROI) growth**

Findings indicates that, guerrilla, buzz, viral, and personal selling promotional strategies are not significant correlated with ROI, with coefficient of 0.091, -0.166, -0.095, and 0.110 with p values of 0.36, 0.93, 0.42, and 0.269 respectively which are all greater than p value 0.05. Promotional strategies are overall not significantly correlated with ROI coefficient 0.017 with p value 0.861 which is greater than p value 0.05. Promotional strategies are overall significantly and positively correlated with employees' growth coefficient 0.249 p value 0.011, and sales growth coefficient 0.246 p value 0.012 which is less than p value 0.05.

According to Tang, Wang and Huang (2012) promotional events, shelf displays and road shows and associated expenditure strongly affect the sales items. Tang, Wang and Huang (2012) citing findings by Bemmaor and Mouchoux, (1991); Bolton, (1989); and Kumar and Leone, (1988) says that the effectiveness of display expenditure, with each of sales promotion tools having its own way of attracting consumers for example coupons have been found to stimulate retail sales. The findings indicates that despite the power of promotional strategies in the growth of small and medium enterprises, water bottling SMEs in Kenya are not leveraging it and especially internet based promotions strategies of guerrilla, buzz and viral promotional strategies.

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Table 4: Correlation between promotional strategies and ROI growth

Correlations		Guerrilla	Buzz	Viral	personal	promotion strategies	ROI
Guerrilla	Pearson Correlation	1	-.153	.060	.029	-.087	.091
	Sig. (2-tailed)		.122	.550	.775	.383	.361
	N	103	103	103	103	103	103
Buzz	Pearson Correlation	-.153	1	.374*	-.359**	.058	-.166
	Sig. (2-tailed)	.122		.000	.000	.562	.093
	N	103	103	103	103	103	103
Viral	Pearson Correlation	.060	.374**	1	-.126	.399**	-.095
	Sig. (2-tailed)	.550	.000		.205	.000	.342
	N	103	103	103	103	103	103
Personal	Pearson Correlation	.029	-	-.126	1	.828**	.110
	Sig. (2-tailed)	.775	.000	.205		.000	.269
	N	103	103	103	103	103	103
promotion strategies	Pearson Correlation	-.087	.058	.399*	.828**	1	.017
	Sig. (2-tailed)	.383	.562	.000	.000		.861
	N	103	103	103	103	103	103
ROI	Pearson Correlation	.091	-.166	-.095	.110	.017	1
	Sig. (2-tailed)	.361	.093	.342	.269	.861	
	N	103	103	103	103	103	103

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Summary of findings

The linear regression analysis showed a strong relationship between promotion strategies and growth of  $R^2=0.52$  meaning that 52% of the corresponding change in growth of water bottling SMEs can be explained by unit change of promotion strategies when moderated by entrepreneurial orientation. This is an increase from 32.8% when EO is constant. The study

found out that preferences of promotion strategies namely guerrilla marketing, viral marketing, and buzz marketing was generally even at 30% while personal selling was the least preferred. This preference was attributed to the cost, convenience, access to more customers and to a lesser extent resonance with customers. According to Kraus *et al* (2009), guerrilla marketing strategies are techniques which stand for a variety of low-cost, high-impact marketing activities that allow small companies and/or individuals to act like big companies. The aim of guerrilla marketing is for the recipient to be riveted to the message, which will stimulate him/her to distribute it further. An example is the “Go Heinrich Go!” campaign in Germany that was initiated by the sporting goods producer, Nike. This makes it the most preferred strategy by small and medium water bottling SMEs in Kenya. Further, Godin & Gladwell (200) argues that viral marketers spread their campaign like a virus, seemingly uncontrolled, mostly over the internet the reason where a reasonable percentage of the respondents (55%) use it. However it is important for the client to have a personal benefit to forward the marketing message, or otherwise it may not be successful. In a study by Lekhanya (2014) who studied the impact of viral marketing as product promotion strategy on corporate brand reputation, in four South African provinces, the results revealed that viral marketing as product promotion strategy has a positive relationship with the performance of a firm.

Buzz marketing’s target persons are often opinion leaders with central hub positions in their social networks, and new products or services are ideal for buzz marketing since it addresses the appeal the product has for the customer (Rosenbloom, 2000). Personal selling is where businesses use people (the "sales force") to sell the product after meeting face-to-face with the customer. The sellers promote the product through their attitude, appearance and specialist

product knowledge, this is very expensive method of promotion and is therefore least preferred by water bottling SMEs in Kenya.

### **Conclusion of the study**

From the finding of the study it can be concluded that small and medium water bottling SMEs in Kenya are not able to leverage promotional strategies in order to grow their business, in particular guerrilla, viral and buzz marketing strategies are vital for the firms to grow. These are low cost promotional strategies which allow small firms to compete with large firms. Unfortunately though the firms are aware of the existence of the strategies they are not able to utilize them because of their sophistications. Word of mouth promotional strategy though was rarely practice by the firms.

Majority of the water bottling SMEs sell directly to resellers, these resellers generally take ownership of the product though in some cases they may sell products on a consignment basis.

They can also access the products online, sales people are employed to sell directly to customers, others sell on commission basis, and other parties are engaged who stock and distribute to retailers who are dealing with other complimentary goods and services.

Water bottling SMEs make bold decisions when faced with uncertainty on returns and are the first to initiate a strategy /process or action which competitors respond to. Some firms also lay more emphasis on R & D activities. There is a desire to innovate, taking significant risks in their competitive strategies and product market and seek new business opportunities in a proactive manner.

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Small and Medium Enterprises face a myriad of problems which hinder their growth. In order to realize growth and profitability of water bottling small and medium enterprises there is need to enhance their ability to grow and therefore contribute effectively to sustainable development, create wealth for their owners, employment, and poverty alleviation. Appropriate measures must therefore be put in place to address the challenges identified in this study.

Small and medium water bottling SMEs in Kenya should leverage on promotional strategies in order to grow their business, in particular guerrilla, viral and buzz marketing strategies are vital for the firms to grow. These are low cost promotional strategies which allow small firms to compete with large firms. Cost is a critical impediment to SMEs growth and needs to be managed. One of the major implications of this research is that firms can increase sales by offering the right marketing tools. Therefore organizations should carefully plan their marketing strategies, and allocate adequate marketing budget giving preference to the more effective tools. The SME water bottling entrepreneurs should also build capacity on the entrepreneurial marketing strategies to apply in their businesses and invest more in web based technology and infrastructure. The Government should also put in place policies to support ICT developments by SMEs as the current marketing trend is internet technology based.

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